

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 95-1206-C - ORDER NO. 96-111 ✓

FEBRUARY 20, 1996

IN RE: Application of DeltaTel, Inc. for a
Certificate of Public Convenience and
Necessity for Authority to Operate as a
Reseller of Interexchange
Telecommunications Services Within the
State of South Carolina.)
ORDER
APPROVING
CERTIFICATE
)
)

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of DeltaTel ("DeltaTel" or the "Company") requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of interexchange telecommunications services, including operator assisted services, in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1994) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed DeltaTel to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of DeltaTel's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. DeltaTel complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was filed by the Consumer Advocate for the State of South

Carolina (the "Consumer Advocate"). Subsequently, the Consumer Advocate notified the Commission that it was satisfied that the Company's filing was consistent with prior dockets, and, therefore, the Consumer Advocate would not participate in the scheduled hearing.

A public hearing was commenced on February 1, 1996, at 11:00 a.m. in the Commission's Hearing Room. The Honorable Rudolph Mitchell, Chairman, presided. DeltaTel was represented by B. Craig Collins, Esquire; Catherine D. Taylor, Staff Counsel, represented the Commission Staff.

In support of its Application, DeltaTel presented the testimony of John A. Gilleland, Vice President of DeltaTel. Mr. Gilleland explained the Company's request for authority to provide interexchange telecommunications services in South Carolina as a non-facilities based reseller. Mr. Gilleland described the Company's services, its managerial, technological, and financial resources, and its marketing procedures. Mr. Gilleland further stated that DeltaTel will provide its services in compliance with the Commission's rules and regulations.

After full consideration of the applicable law, the Company's Application, the evidence presented by the Company and the Commission Staff, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. DeltaTel is incorporated under the laws of the state of Delaware and has received a Certificate of Authority to Transact Business as a Foreign Corporation in the State of South Carolina.

2. DeltaTel operates as a non-facilities based reseller of interexchange services and wishes to do so in South Carolina.

3. DeltaTel has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to DeltaTel to provide intrastate interLATA service and to originate and terminate toll traffic in the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Services (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for DeltaTel for its resale services which includes only maximum rate levels for each tariff charge. For intrastate interLATA "0+" collect and calling card calls, DeltaTel may not impose a fixed operator service charge more than the intrastate charges then currently approved for AT&T Communications, and for the usage portion of the call, DeltaTel may not charge more than the intrastate rates charged by AT&T Communications at the time such call is completed. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously

adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. DeltaTel shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. DeltaTel shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1995).

4. DeltaTel is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

5. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if they so desire.

6. DeltaTel shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If DeltaTel changes underlying carriers, it shall notify the Commission in writing.

7. With regard to the origination and the termination of toll traffic in the same LATA, DeltaTel shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

8. DeltaTel shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

9. DeltaTel is allowed to incorporate in its tariff a surcharge for operator-assisted and calling card calls not to exceed \$1.00 for calls originated at hotels and motels and at customer-owned pay telephones only if the property owners have not added a surcharge already. That is, the Company may not impose an additional surcharge to calls originating at hotels and motels and customer-owned pay telephones if such a surcharge has already been imposed by the property owners. If such a charge is applied, however, it should be paid in its entirety to the customer by DeltaTel. Further, if the surcharge is applied, the user should be notified of imposition of the surcharge. This information should be included in the information pieces, such as tent cards or

pay telephone stickers, identifying DeltaTel as the operator service provider for the pay telephones or guest telephones.

10. DeltaTel is required to provide "tent" cards to hotels and motels for placement next to guest telephones and stickers to customer-owned pay telephones identifying DeltaTel as the provider of operator service for intrastate interLATA calls. DeltaTel is required to brand all calls identifying itself as the carrier for the hotel or motel. The information pieces shall be consistent with the format approved by the Commission in Order No. 93-811, issued in Docket No. 92-557-C.

11. For the provision of operator services, DeltaTel shall comply with the Operator Service Provider Guidelines approved in Order No. 93-534, issued in Docket No. 93-026-C.

12. DeltaTel shall file its revised tariff and accompanying price list reflecting the findings herein and its agreed upon tariff amendments within thirty (30) days of the date of this Order. The revised tariff shall be consistent with the Commission's Rules and Regulations.

13. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'S

COMPANY NAME

FEI NO.

ADDRESS

CITY, STATE, ZIP CODE

PHONE NUMBER

- (1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.
- * THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.
- (4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR
ENDING _____.
- * THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.
- (5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT
(SEE #3 ABOVE).

SIGNATURE

NAME (PLEASE TYPE OF PRINT)

TITLE